



*United States Attorney
Southern District of New York*

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**U.S. RECOVERS FROM DISBARRED WESTCHESTER LAWYER PROCEEDS OF
FRAUDULENTLY OBTAINED SBA LOAN MADE AFTER TERROR ATTACKS**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that JEFFREY D. GRANT, a disbarred lawyer, has agreed to pay \$300,000 to settle civil fraud charges filed by the United States in connection with GRANT's application for a loan after the September 11, 2005, terrorist attacks in New York City.

The Government's Complaint alleges that GRANT made fraudulent claims for payment under the United States Small Business Administration ("SBA") Economic Injury Disaster Loan ("EIDL") program, which provided aid to people who suffered damages as a result of the terrorist attacks. The Complaint alleges that, on November 30, 2001, GRANT applied to the SBA for an EIDL for alleged lost revenue claiming that his law firm, which was purportedly located at 40 Wall Street, had been unusable as a result of the attacks. GRANT's application also claimed that his firm's inability to service its clients had led to a "dramatic fall" in case and client production, which caused the firm substantial economic injury. Based on GRANT's application, the SBA awarded him a low-interest secured EIDL in

the amount of \$247,000. The Complaint alleges, however, that GRANT did not in fact operate a law firm at that location.

On June 8, 2005, GRANT pled guilty to federal criminal charges in the Southern District of New York in connection with the SBA loan application, and admitted that he had never worked at 40 Wall Street in New York City. United States District Judge SHIRA A. SCHEINDLIN set sentencing for October 14, 2005, at 12 noon.

Count One, wire fraud, carries a maximum sentence of 30 years in prison and a fine of \$1 million or twice the gross gain or loss resulting from the crime. Count Two, money laundering, carries a maximum sentence of 10 years in prison and a fine of \$250,000 or twice the gross gain or loss resulting from the crime.

GRANT formerly operated a law office in Mamaroneck, New York.

In the civil suit, Judge PAULEY approved the settlement agreement in federal court in Manhattan.

Mr. KELLEY thanked the SBA for its assistance in the investigation.

Mr. KELLEY stated: "This Office is committed to recouping any monies from any individual who fraudulently attempts to obtain benefits by taking advantage of the September 11 attacks."

Assistant United States Attorney RUSSELL M. YANKWITT is in charge of the case.

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